

Message Text

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ACTION EA-10

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INFO AMEMBASSY LISBON

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AMEMBASSY TAIPEI

AMEMBASSY TOKYO

USLO PEKING

CINCPAC

C O N F I D E N T I A L HONG KONG 6154

CINCPAC FOR POLAD

E.O. 11652: XGDS-1

TAGS: PFOR, PO, CH, MC

SUBJECT: LISBON-PEKING AND THE FUTURE OF MACAU

SUMMARY: ALTHOUGH PEKING CONTINUES TO IGNORE PUBLICLY A
DECOLONIZING LISBON'S PROFESSED DESIRE TO ESTABLISH DIPLOMATIC
RELATIONS, THE PORTUGUESE GOVERNOR OF MACAU HAS NOT ONLY
EVINCED UNDERSTANDING OF THE PEKING POSITION, BUT HAS ALSO
INDICATED THAT LISBON APPARENTLY HAS NO IMMEDIATE PLANS TO
RELINQUISH ITS LINKS WITH MACAU. WITH CHINA AND PORTUGAL
BOTH EXHIBITING INTEREST IN MAINTAINING THE POLITICAL STATUS
QUO VIS-A-VIS MACAU, PEKING AND THE SPOKESMAN FOR PRC INTERESTS
IN MACAU ARE LIKELY TO ACQUIESCE TO CHANGES WHICH WILL ENHANCE
THE PORTUGUESE STAKE IN MACAU, PROVIDED THE PRO-MOSCOW
COMMUNIST PARTY DOES NOT COME TO POWER IN PORTUGAL. END
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SUMMARY

1. CHINA HAS PRIVATELY REJECTED PORTUGUESE OFFERS TO RETURN MACAU TO PRC CONTROL AND PUBLICLY CONTINUES TO IGNORE LISBON'S PROFESSED DESIRE TO ESTABLISH DIPLOMATIC RELATIONS WITH PEKING. THE CHINESE ATTITUDE, WHEN COUPLED WITH THE UNSETTLED POLITICAL SITUATION IN A PORTUGAL DIVESTING ITSELF OF OVERSEAS POSSESSIONS, HAS CONTRIBUTED TO CONTINUING UNCERTAINTY ABOUT THE FUTURE OF MACAU.

2. IN AN EFFORT TO ALLAY FEELINGS OF CONCERN ABOUT PORTUGUESE INTENTIONS, THE GOVERNOR OF MACAU, COLONEL GARCIA LEANDRO HAS REAPEATEDLY EXPRESSED "CAUTIOUS OPTIMISM" ABOUT THE FUTURE OF THE TINY PORTUGUESE ENCLAVE. FOLLOWING HIS MAY 28 RETURN FROM POST-ELECTION CONSULTATIONS IN LISBON, THE LOCAL PRESS REPORTED THE GOVERNOR'S EVINCED UNDERSTANDING OF PEKING'S RELUCTANCE TO ENTER INTO DIPLOMATIC RELATIONS WITH LISBON AT THIS TIME AND ADOPTION OF A "WAIT AND SEE" ATTITUDE. PERHAPS IN DIRECT RESPONSE TO LOCAL CONCERN, THE GOVERNOR ALSO COMMENTED ON FUTURE PLANS AND PROGRAMS WHICH SERVE TO INDICATE A CONTINUING PORTUGUESE INTENTION TO MAINTAIN ITS TIES WITH MACAU. IN ADDITION TO ANNOUNCING THAT MACAU AFFAIRS IN THE FUTURE WILL BE HANDLED BY THE PRIME MINISTER'S OFFICE, GOVERNOR LEANDRO NOTED THAT NEW ADMINISTRATIVE STATUTES GOVERNING MACAU ARE BEING DRAWN UP. PERHAPS THE MOST REASSURING AND WELCOME NEWS WAS THE GOVERNOR'S ANNOUNCEMENT OF THREE LOANS TOTALING OVER 33 MILLION PATACAS FROM PORTUGUESE BANKS TO FINANCE ECONOMIC DEVELOPMENT PROJECTS IN MACAU. BEGIN XGDS-1. IN LINE WITH HIS DESIRE TO MAKE MACAU FINANCIALLY INDEPENDENT OF PORTUGAL, THE GOVERNOR HOPES TO INCREASE THE GOVERNMENT'S SHARE OF REVENUES GENERATED IN MACAU, AND, ACCORDING TO THE PORTUGUESE CONSULATE GENERAL IN HONG KONG, CUT THE MOST PROMINENT PRC SPOKESMAN IN MACAU, HO YIN, OUT OF THE GRAFT PIPELINE. (COMMENT: ACCORDING TO LISBON'S CONSUL GENERAL IN HONG KONG, PORTUGAL DESIRES DIPLOMATIC LINKS WITH CHINA AND AN ARRANGEMENT WHEREBY LISBON'S AMBASSADOR TO PEKING ON A REGULAR BASE WOULD TRAVEL TO KWANGTUNG AND DEAL DIRECTLY WITH PROVINCIAL AUTHORITIES ON MATTERS CONCERNING MACAU. IF TRUE, THIS PORTUGUESE SCHEME WOULD STRIVE TO UNDERCUT THE ROLE OF HO YIN, A PROCESS THE NEW MACAU GOVERNOR HAS ALREADY ATTEMPTED TO INITIATE. HOWEVER, THE PROPOSAL DOES CONFIDENTIAL

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NOT ACCORD WITH PEKING'S PREFERRED WAY OF DEALING WITH MACAU AND IT SEEMS LIKELY THAT PORTUGUESE OFFICIALS IN MACAU WILL CONTINUE TO DEAL WITH PERSONS ACCEPTABLE TO PEKING.) END XGDS-1.

3. PORTUGUESE AUTHORITIES' INTEREST IN EASING OUT HO YIN FROM THE GRAFT PIPELINE AND WIDENING THE SCOPE FOR POLITICAL PARTICIPATION IS PROBABLY PLANNED WITH A GOAL OF REGAINING SOME OF THE POWER AND PRESTIGE THE PORTUGUESE AUTHORITIES

WERE HUMILIATINGLY OBLIGED TO RELINQUISH TO LEFTIST DEMONSTRATORS
HEADED BY HO YIN AT THE TIME OF THE SPILLOVER OF CHINA'S
CULTURAL REVOLUTION ACTIVITIES INTO MACAU IN 1966.

4. NEVERTHELESS, THE OVERWHELMINGLY CHINESE POPULATION OF
MACAU WILL CONTINUE TO TAKE ITS CUES FROM PEKING AND THE
PRC'S UNOFFICIAL REPRESENTATIVES IN MACAU RATHER THAN
PORTUGUESE AUTHORITIES. A NEW REPORT THAT A CHINESE BANK
FOR THE FIRST TIME HAS AGREED TO PURCHASE SOME TEN MILLION
PATACAS IN MACAU GOVERNMENT BONDS TO FINANCE LOCAL DEVELOPMENT
PROJECTS SUGGESTS THAT PEKING HAS ACQUIESCED IN, IF NOT GIVEN
TACIT APPROVAL TO, MOVES WHICH WILL FURTHER ENHANCE THE
PORTUGUESE STAKE IN MACAU AND INTEREST IN MAINTAINING THE
POLITICAL STATUS QUO.

5. DESPITE THE GOVERNOR'S OPTIMISTIC AND CONFIDENT STATEMENTS
TO MACAU RESIDENTS THAT EVENTS IN PORTUGAL WILL NOT AFFECT
MACAU, THAT THE PORTUGUESE COMMUNIST PARTY HAD AGREED NOT TO
INTERFERE IN MACAU, AND HIS WARNING TO WOULD-BE "REVISIONISTS"
IN MACAU THAT EFFORTS TO DISRUPT THE HARMONIOUS RELATIONS
BETWEEN THE PORTUGUESE AND CHINESE COMMUNITIES WILL NOT BE
TOLERATED, THE FUTURE OF MACAU REMAINS MURKY. BEGIN XGDS-1
IN RECENT TALKS WITH THE CONSUL GENERAL, THE PORTUGUESE CONSUL
GENERAL IN HONG KONG PREDICTED THAT MACAU WOULD LAST ONLY THREE
DAYS SHOULD THE PRO-MOSCOW PORTUGUESE COMMUNIST PARTY COME TO
POWER.

END XGDS-1

NEVERTHELESS, THE VISIT OF THE PORTUGUESE FOREIGN
MINISTER TO MACAU IN CONNECTION WITH TALKS ON THE FUTURE
OF TIMOR WILL PROBABLY GIVE RISE TO RENEWED ASSURANCES BY
LISBON AUTHORITIES ABOUT THE FUTURE OF MACAU UNDER PORTUGUESE
ADMINISTRATION.

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